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Message

From: Brad Garlinghouse [REDACTED]@ripple.com]
 Sent: 1/16/2018 4:18:28 AM
 To: Brad Garlinghouse [REDACTED]@ripple.com]
 BCC: [REDACTED]
 Subject: Ripple's December Investor and Advisor Update

Dear Ripple Shareholders and Advisors,

First off, a very Happy (but slightly belated) New Year to you all! This monthly update is coming to you a bit later than previous months, which encapsulates how busy December was for Team Ripple - and it certainly hasn't slowed down as we start the New Year.

Without question 2017 was a transformative year for the blockchain industry and digital asset markets - and this is certainly true for Ripple also. Suffice it to say, December added an exclamation mark as an endcap!

My monthly missives to this distribution list have chronicled much of our journey and it was refreshing to see our incessant focus on solving a very real, very large problem, with real products and real customers rise above much of the noise in December. There is little doubt that the hype and mania surrounding all things crypto is at a fevered pitch and it's critical that Team Ripple stays focused on the core: building, marketing and selling solutions that will enable financial institutions globally to dramatically change the way value moves - to enable an Internet of Value. I continue to be in awe of the progress we have made - particularly as we reflect over the whole of 2017.

We start 2018 as a clear market leader, but we'll only stay there if we execute on driving customer adoption and continue to expand the most efficient network for cross border transactions (with xCurrent) - and continue to demonstrate that xRapid can solve the liquidity needs of financial institutions.

Some highlights from December:

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- We had our best software sales month (and quarter) in our history - with both banks and payment providers accelerating their engagement with Ripple. We continued expansion of existing accounts (like [REDACTED]) - as well as a record performance with new accounts. (as is always the case, we only announce new customers in partnership with the customer)
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- We made great progress in demonstrating that the idea of using XRP to solve a liquidity problem is more than just an idea. We productized this with xRapid in Q3 and announced our first customer in early Q4. Some of you may have seen last week we were able to announce MoneyGram is also piloting xRapid. This has been tremendous validation for something that was imply an idea not that many months ago.
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- We continued to highlight the differentiation of XRP - with it's dramatically faster and cheaper transactions.

For Ripple to achieve our goals with XRP, there needs to be deep liquidity between XRP and many fiat currencies globally. In December, we were able to announce that XRP is now listed on more than 50 exchanges globally which is a major milestone towards that goal. We will obviously continue to champion XRP listings at more exchanges globally.

I'm also aware that many of you have been watching the price of XRP and the value that has accrued to all Ripple shareholders by virtue of the more than 60 billion units of XRP that we hold. Ripple will continue to invest in the XRP ecosystem - and you should expect to see us champion other use cases for the XRP Ledger

beyond Ripple's focus on cross-border payments. To be overly clear, Ripple will continue to focus on solving a payments and liquidity problem - but increasingly we'll champion others who are using XRP in other ways. This will serve to diversify XRP usage and demand.

I also wanted to note - as many of you have mentioned to me - that a somewhat active secondary market in Ripple shares has developed. Many of these transactions are happening at prices that I don't believe reflects an appropriate value of our equity. Given our balance sheet and access to capital, I believe it is in all shareholders best interest to buy back shares in certain circumstances. These transactions will require shareholder approval so please stay tuned for more on that in the months ahead.

Outlook on 2018

While there is certainly a lot of froth in the digital asset marketplace, Ripple will continue to focus on utility - solving real problems for real customers. I believe it's inevitable that those digital assets without clear utility, without real customers will be subject to significant price adjustments. Over a longer arc of time, hype and reality will come into equilibrium. Ripple will focus on driving real demand and velocity of XRP by leveraging products like xRapid.

I am confident - given our strategy - and the robust technology that makes XRP a thousand times faster and a thousand times cheaper than BTC transactions - that we can leverage the spotlight and continue to drive customer engagement.

Best,
Brad

P.S. As an end of year clean-up matter, Ripple is sending a notice of actions approved by a majority of shareholders to your mailing address. Please note, there is no action required from you; this simply provides broader notice to all shareholders, as required by Delaware Corporations Law.